BEFORE THE

PUBLIC SERVICE COMMISSION OF WISCONSIN

Application of Northern States Power Company for the Acquisition of Natural Gas Inc.

4220-GM-100 4010-GM-100

NOTICE OF INVESTIGATION, ASSESSMENT OF COSTS, PREHEARING CONFERENCE AND HEARING

On December 31, 1997, Northern State Power Company - Wisconsin (NSPW) filed an application with the Commission for approvals in connection with its acquisition of Natural Gas, Inc. (NGI), including (a) an order approving the NSPW acquisition pursuant to Section 196.80, Wis. Stats.; (b) an order approving NSPW's proposed accounting treatment for the acquisition of NGI, (c) an order approving application of NSPW's service rules and regulations in areas now served by NGI, (d) an order approving the use of NSPW's currently authorized depreciation rates for NGI assets acquired by NSPW, (e) an order approving implementation of the Rate Equalization Plan described in Exhibit D hereto, and (f) any other action necessary and/or relating to the rendering by NSPW of natural gas service to the public in those areas of the State of Wisconsin in which service was rendered by NGI prior to the acquisition.

It is appropriate that a prehearing conference be scheduled at this time for the purpose of: (1) identifying the persons who will actively participate as full parties, (2) specifying dates for filing testimony and exhibits, (3) identifying and designating the issues, and (4) considering such other matters as will facilitate the hearing. Full parties will be bound by the designation of issues and the schedule adopted at the prehearing conference. Consequently, persons who consider themselves to be potential full parties should take part in the prehearing conference. Pursuant to s. PSC 2.32(3), Wis. Adm. Code, if you intend to participate as a full party and you have not already done so, please indicate such interest in writing to the Examining Division at the Commission, P.O. Box 7854, Madison, Wisconsin 53707-7854.

NOTICE IS HEREBY GIVEN that this matter is deemed to be a Class 1 proceeding as defined in s. 227.01(3)(a), Stats.

NOTICE IS HEREBY GIVEN that the Commission considers it necessary in order to carry out its duties to investigate the books, accounts, practices and activities of NSPW and NGI. The expenses incurred or to be incurred by the Commission which are reasonably attributable to the

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investigation will be assessed against and collected from NSPW and NGI, in accordance with the provisions of s. 196.85, Stats., and ch. PSC 5, Wis. Adm. Code.

NOTICE IS FURTHER GIVEN that a prehearing conference will be held on May 1, 1998, at 1:30 p.m., in the hearing room at the Public Service Commission Office building, 610 North Whitney Way, Madison, Wisconsin. This building is accessible to people in wheelchairs through the Whitney Way main floor entrance (Lobby). Parking for people with disabilities is available on the south side of the building. Any person with a disability who needs accommodations should contact Richard Teslaw at (608) 267-9766.

NOTICE IS FURTHER GIVEN that a hearing will be held on May 18, 1998, beginning at 1:30 p.m., in the hearing room at the Commission. Further hearings will be held in New Richmond at 3:30 p.m. and 7:00 p.m. on May 21, 1998 at the New Richmond High School (Theater), 152 East 4th Street.

This is a Type III action under s. PSC 4.10(3), Wis. Adm. Code. No unusual circumstances suggesting the likelihood of significant environmental consequences have come to the Commission's attention. Neither an environmental impact statement under s. 1.11, Stats., nor an environmental assessment is required.

Copies of the NSPW application may be obtained by written request to Northern States Power Company at its office at 100 North Barstow Street, P.O. Box 8, Eau Claire, WI 54702-0008.

If there are any questions regarding the hearing or prehearing conference scheduled in this notice, please contact John Crosetto, Examining Division, at (608) 266-7165.

If there are other questions regarding this matter, please contact the Case Coordinator, Kane Walent, Natural Gas Division, at (608) 266-7006.

Dated at Madison, Wisconsin,	
For the Commission.	
Anita Sprenger	
Administrator	

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Natural Gas Division